

House File 663 - Introduced

HOUSE FILE 663

BY UPMEYER

(COMPANION TO LSB 2669XS BY
GRONSTAL)

A BILL FOR

1 An Act relating to interstate student tuition reciprocity
2 agreements involving certain postsecondary educational
3 institutions, creating a tuition refund fund, appropriating
4 moneys from the fund, and including effective date
5 provisions.
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 261G.4, subsections 1 and 2, Code 2015,
2 are amended to read as follows:

3 1. Notwithstanding any other provision of law to the
4 contrary, a participating nonresident institution shall not be
5 required to register under chapter 261B or to comply with the
6 registration and disclosure requirements of chapter 261 or 261B
7 or section 714.17, subsections 2 and 3, or sections 714.18,
8 714.20, ~~and 714.21~~, and 714.23, or section 714.24, subsections
9 1, 2, 3, 4, and 5, or section 714.25, if the provisions of an
10 interstate reciprocity agreement prohibit such registration or
11 compliance.

12 2. Notwithstanding any other provision of law to the
13 contrary, a participating resident institution shall be
14 required to register under chapter 261B or to comply with the
15 registration and disclosure requirements of chapter 261 or 261B
16 or section 714.17, subsections 2 and 3, or sections 714.18,
17 714.20, ~~and 714.21~~, 714.23, or section 714.24, subsections 1,
18 2, 3, 4, and 5, or section 714.25, if the provisions of the
19 interstate reciprocity agreement require such registration or
20 compliance.

21 Sec. 2. Section 714.23, Code 2015, is amended by adding the
22 following new subsection:

23 NEW SUBSECTION. 4A. a. A student who does not receive a
24 tuition refund up to the full refund of tuition charges due to
25 the effect of an interstate reciprocity agreement under 261G.4,
26 subsection 1, may apply to the attorney general for a refund
27 in a sum that represents the difference between any tuition
28 refund received from the school and the full refund of tuition
29 charges. For purposes of this subsection, "*full refund of*
30 *tuition charges*" means the monetary sum of the refund for which
31 the student would be eligible pursuant to the application of
32 this section.

33 b. A tuition refund fund is created as a separate fund
34 in the office of the treasurer of state under the control
35 of the attorney general. Moneys credited to the fund shall

1 include amounts appropriated by the general assembly and moneys
2 received as a result of a court order, judgment, or settlement
3 which specifically directs that moneys be used for the purpose
4 of providing student tuition refunds, or which authorizes the
5 attorney general to use moneys for any other purpose at the
6 discretion of the attorney general. All moneys credited to
7 the fund are appropriated and made available to the attorney
8 general for such purposes. For each fiscal year, the attorney
9 general may expend all moneys in the fund to provide tuition
10 refunds to eligible students. Notwithstanding section 8.33,
11 any balance in the fund on June 30 of each fiscal year shall not
12 revert to the general fund of the state, but shall be available
13 for purposes of this subsection in subsequent fiscal years.
14 Notwithstanding section 12C.7, interest or earnings on the
15 moneys in the fund shall be credited to the fund.

16 Sec. 3. EFFECTIVE UPON ENACTMENT. This Act, being deemed of
17 immediate importance, takes effect upon enactment.

18 EXPLANATION

19 The inclusion of this explanation does not constitute agreement with
20 the explanation's substance by the members of the general assembly.

21 This bill allows the provisions of an interstate student
22 tuition reciprocity agreement entered into and administered, or
23 recognized, by the college student aid commission to override
24 the registration and disclosure provisions of Code sections
25 714.23, which regulates postsecondary educational program
26 refund policies, and 714.25, which establishes disclosure
27 requirements for proprietary schools, as those sections apply
28 to participating postsecondary educational institutions. The
29 bill also creates within the state treasury a tuition refund
30 fund under the control of the attorney general.

31 The bill amends Code section 714.23 to provide that a
32 student who, because of the effect of an interstate reciprocity
33 agreement, does not receive the full tuition refund as would
34 otherwise be required under the Code provision, may apply to
35 the attorney general for a refund in a sum that represents the

1 difference between any tuition refund received from the school
2 and the full refund of tuition charges as otherwise required.

3 Moneys credited to the fund shall include amounts
4 appropriated by the general assembly and moneys received as
5 a result of a court order, judgment, or settlement which
6 specifically directs that moneys be used for the purpose of
7 providing student tuition refunds or which authorizes the
8 attorney general to use moneys for any other purpose at the
9 discretion of the attorney general.

10 All moneys credited to the tuition refund fund are
11 appropriated and made available to the attorney general for
12 such purposes. Moneys in the fund do not revert to the general
13 fund of the state but remain available for tuition refund
14 purposes in subsequent fiscal years. Notwithstanding Code
15 section 12C.7, interest or earnings on the moneys in the fund
16 shall be credited to the fund.

17 The bill takes effect upon enactment.